

12 November 1973

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MEMORANDUM FOR:
Office of the Legislative Counsel

SUBJECT : Nedzi Subcommittee's Proposal to Prohibit
Transactions Between the Agency and
Former CIA Employees

1. A prohibition on contacts (of other than a routine administrative nature) between the Agency and its former employees would work a definite hardship on the newly established National Intelligence Officer (NIO) mechanism. We are planning in the NIO structure to make full use of outside consultants from the academic and business communities of the U.S., in order to make the intelligence product as useful as possible to our principal consumers in the White House. A number of former or retired CIA employees are now part of the academic or business community, and some of them -- precisely because of their intelligence experience -- would make highly valuable consultants. The proposed prohibition on contacts would make it impossible to tap the knowledge of such individuals in ways which would be clearly beneficial to the U.S. Government and which should not be constricted by statute.

2. The former Board of National Estimates of the CIA did in fact utilize retired Agency employees as consultants on several occasions. They proved to be among the most valuable consultants of the Board, because they combined experience in business or at a university with insights into the intelligence community from their former roles.

3. Two concrete examples (at different levels) illustrate the kind of problems that would be created by an absolute ban on consulting relationships with former Agency employees.

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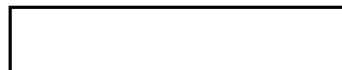
Their counsel and experience could be of great value to the newly created Deputy for National Intelligence Officers, who has assumed (among other things) the responsibilities of the Board and Office of National Estimates. That wisdom and experience would be denied us by any arbitrary prohibition of all "transactions between former CIA employees and the Agency above and beyond purely routine administrative matters."

25X1A



4. If legislation is inevitable, a much better approach to such contacts would be legislation which compelled the Agency to establish tight administrative controls over transactions between the Agency and former employees. (We now have such controls, and if the Congress wishes to put them into a statute we should be able to work out statutory language we can live with.) There might be Congressional pressure to include in such legislation a requirement for periodic reporting to the Congress on contacts with former employees. A statutory regulation to this effect would unquestionably pose difficulties, but, once again, it would be vastly better than a flat prohibition on such contacts.

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